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FUTURE ROLE OF THE UNITED NATIONS SYSTEM IN HELPING ADDRESS SOUTH AFRICA'S SOCIO-ECONOMIC PROBLEMS

[Note: The present issue contains excerpts from statements made at the "Seminar on South Africa's Socio-economic Problems: Future Role of the United Nations System in Helping Address Them", as well as summaries of workshop discussions and the concluding remarks by the Chairman. The Seminar, which was organized by the Special Committee against Apartheid, was held at Windhoek, Namibia, from 22 to 24 May 1992. It brought together some 30 South African experts involved in social and economic analysis and policy planning, with some 35 experts from 20 United Nations offices and agencies, as well as other intergovernmental organizations with competence and experience in technical cooperation. South African experts, who participated in their personal capacity, came from the African National Congress of South Africa (ANC), the Pan Africanist Congress of Azania (PAC), trade unions, universities, industrial and banking agencies and other organizations and institutions.

The views expressed in the statements are those of the authors.]

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CONTENTS

Page

INTRODUCTION 3

I. **United Nations must generate renewed vitality in responding to the emerging needs of South Africa**
Excerpts from the opening statement of the Minister for Foreign Affairs of Namibia, H.E. Mr. Theo-Ben Gurirab 4

II. **International community should identify with the plight of Black people in South Africa and assist in alleviating their socio-economic problems**
Excerpts from the keynote address by H.E. Mr. Ibrahim A. Gambari (Nigeria), Chairman of the Special Committee against Apartheid 6

III. **South Africa's specific priorities after apartheid will have to be determined by South Africans**
Excerpts from the statement by Mr. Johan Nordenfelt, Representative of the Secretary-General and Director of the United Nations Centre against Apartheid 10

IV. **Establishment of an interim government a prerequisite to direct United Nations intervention in addressing South Africa's socio-economic problems**
Excerpts from the statement of the African National Congress of South Africa (ANC) 11

V. **Role of the United Nations agencies should be that of providing African people with the means and skills to be their own developers, socially and economically**
Excerpts from the statement by Mr. Sipho Shabalala, Representative of the Pan Africanist Congress of Azania (PAC) 14

VI. Summaries of workshop discussions 18

VII. Concluding remarks by H.E. Mr. Ibrahim Gambari (Nigeria), Chairman of the Special Committee against Apartheid 26

INTRODUCTION

Pursuant to paragraph 2 of General Assembly resolution 46/79 B of 13 December 1991, the Special Committee against Apartheid included in its programme of work for 1992 the organizing of a seminar on South Africa's socio-economic problems.

The objectives of the Seminar were:

(a) To define the scope of the socio-economic needs of the disadvantaged population and to identify priorities in that respect, as well as broad policy orientations for the future assistance of the United Nations;

(b) To create a forum within which prominent South Africans involved in socio-economic policy issues and senior representatives of the United Nations system could engage in a dialogue on economic development for South Africa;

(c) To contribute to the preparation and planning of the future assistance of the United Nations system in the areas of social and economic developments, in particular in health, housing, education, employment and poverty alleviation.

I. UNITED NATIONS MUST GENERATE RENEWED VITALITY IN RESPONDING TO THE EMERGING NEEDS OF SOUTH AFRICA

Excerpts from the opening statement by H.E. Mr. Theo-Ben Gurirab, Minister for Foreign Affairs of Namibia

May I first of all extend to you all a very warm welcome to the Republic of Namibia. We hope that we will be able to provide you with an environment conducive to thorough consideration of the magnitude and seriousness of the socio-economic problems South Africa faces and which it will carry into a period, now beginning, of a South Africa liberated from the burden of the apartheid system.

More importantly, we hope that this meeting will provide an opportunity to look afresh at the United Nations' readiness for the task ahead and to identify specific objectives and concrete projects which could be rapidly put into effect when the United Nations is invited to make its contribution.

...

The emerging South Africa will need to fit into a global environment where there are greater demands on scarce resources, on investment capital and aid, coupled with a considerably greater tendency towards regional integration in trade as opposed to the general liberalization of trade envisaged in the Uruguay round of the General Agreement on Tariffs and Trade (GATT).

...

The process of change in South Africa, which is only now beginning, will be long and will involve considerable social, political and economic changes. Constitutional change in itself will not defuse the social and economic time-bomb created by conditions so manifested in the townships and homelands all around South Africa. These conditions are the result of decades of oppression, neglect and irresponsible government and it will require massive efforts to alleviate these conditions.

The sheer scale of the social and economic problems that South Africa faces and the resources needed to tackle them successfully are formidable. Although endowed with considerable natural resources, the extremes of poverty that afflict a large portion of the population, the housing backlog, the inadequacies in the health services and the considerable resource inputs needed in the education sector means that South Africa will need to explore increasingly innovative ideas in order to establish and maintain a process of development. The scarcity of the available resources will necessitate a great deal of imaginative thinking in order to have any chance of producing a

sustained and discernable improvement in the living standards of ordinary people.

This task is, of course, primarily in the hands of South Africans themselves who will need to involve the whole of their population in new and creative thinking in the development process. New ways and means of providing affordable services to all South Africans will need to be explored. It is encouraging to note how, when the country's resources were being wasted by the government in its vain attempt to maintain the apartheid system, ordinary men and women were adapting curricula for basic technical and vocational training and education and were implementing innovative schemes for the delivery of services in health, education, electricity and water services and for the provision of housing.

This type of innovation on the part of South Africans call for a response from the international community, which must readily give support to these efforts. This would necessitate the United Nations increasingly developing a flexibility and capacity to adapt in the way it operates so as to support these efforts best. It may at times mean greater readiness to operate on more decentralized programmes supporting simple but effective ideas aimed at improving the quality of life for the millions of people who now live in abject poverty.

The recent phenomenon of moving towards regional trade groupings also has implications for southern Africa. It reinforces the need for us to explore together how we can help each other and in so doing help ourselves. There exists in our region enormous scope for regional cooperation, particularly in the integration of our industrial development and in the processing of our mineral output and other natural resources. The emergence of southern Africa, both South Africa itself and the rest of the region, from this tragic period in our history, calls for the innovative support of the United Nations system. Namibia will be hosting the summit meeting of the Southern African Development Coordination Conference (SADCC) in August 1992 where these and other issues will be debated with a view to mapping out new strategies and a plan of action.

The United Nations must generate a renewed vitality in responding to the emerging needs of South Africa and to a region for so long damaged by the divisions and destructiveness of the apartheid system.

It is all too easy to classify a country in the simplistic ways offered by the use of per capita gross domestic product (GDP). The established manner of classifying countries as least developed or otherwise for the purpose of the disbursement of aid, cries out for further review. This becomes particularly apparent in the case of South Africa, with a per capita GDP that places it in the category of a middle-income country. Many other social and economic indicators need to be taken more fully into account. When such large portions of

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the population live so patently in abject poverty, to subject them to the GDP per capita test for the population as a whole, simply makes them once again victims of their apartheid inheritance. We know it to be so because this legacy and dichotomy still prevails in Namibia as well.

The United Nations will be tested as nowhere before in its capacity to make any real impact in supporting the efforts now being made by South Africans. We, for our part, wish to join other members of the international community, SADCC and the Eastern and Southern African Preferential Trade Area (PTA) in making the efforts of the United Nations effective and successful.

...

II. INTERNATIONAL COMMUNITY SHOULD IDENTIFY WITH THE PLIGHT OF BLACK PEOPLE IN SOUTH AFRICA AND ASSIST IN ALLEVIATING THEIR SOCIO-ECONOMIC PROBLEMS

Exerpts from the keynote address by H.E. Mr. Ibrahim A. Gambari (Nigeria), Chairman, Special Committee against Apartheid

May I, on behalf of everyone in this hall, thank His Excellency Theo-Ben Gurirab, the Minister for Foreign Affairs of the Republic of Namibia, for his most inspiring welcome and opening address. I wish also to place on record, on behalf of the Special Committee against Apartheid, the agencies of the United Nations system represented here and on my own behalf, our profound thanks to His Excellency President Sam Nujoma, the Government and people of Namibia for hosting this important Seminar. We are also most appreciative of the warm hospitality that has been accorded us since our arrival here.

I believe that it is most befitting and proper that a United Nations seminar that addresses the socio-economic problems of South Africa is taking place here at Windhoek. Namibia is a nation with profound historical links with the United Nations. Equally, it is one of the few nations that has a first-hand grasp and knowledge of the destructive consequences of apartheid and the attendant socio-economic problems it has created. Consequently, we expect to benefit from Namibia's hosting of this Seminar, and from its experience on how best to analyse and grapple with socio-economic problems that are legacies of apartheid.

...

This Seminar, you will all agree, is taking place at an interesting and crucial junction in South Africa's political history. In the past months, we have witnessed and welcomed various positive developments in that country. Even when we have been apprehensive about certain threatening developments - most notably the ongoing violence - we have remained optimistic that South Africa is on a fairly steady course to a non-racial democracy.

...

As progress is made in addressing South Africa's political questions, the underlying socio-economic effects of apartheid in that country come more to the forefront. This is why we are here. This Seminar has its basis in our collective acknowledgement, that in spite of the repeal of key apartheid legislation, legacies of apartheid are still very much entrenched in existing public policies and structures of the State, both in the public and private sectors. ... It seems clear that in order to build and consolidate a stable and peaceful new South Africa, these socio-economic inequalities have to be urgently redressed.

This Seminar has been convened to allow South Africans involved in policy formulation, analysis and the planning process for a future South Africa to work and discuss these matters with representatives of organs and agencies of the United Nations family that potentially have a helpful role to play in a new South Africa. As you may recall, the General Assembly, in resolution 46/79 A, urged the Secretary-General "at the appropriate time, in the light of positive developments such as agreement on transitional arrangements, to expand, in a concerted manner, through the relevant United Nations offices and in collaboration with the specialized agencies, the scope of assistance provided inside South Africa aimed at addressing socio-economic issues, particularly in the areas of education, health, housing and social welfare, which may entail the physical presence of the United Nations system in that country".

I am convinced that each United Nations agency represented here is keenly aware of its prospective role. The Office of the United Nations High Commissioner for Refugees (UNHCR) already has first-hand experience in that regard and from what I have been able to glean from the background papers prepared by the other agencies, they are certainly all keenly alert to their future respective roles and are ready to make meaningful contributions when called upon to do so.

It is not my intention to pre-empt in any manner the discussions you are going to have, but I would like to share with you some of my thoughts about the importance of the objectives I just mentioned. Before proceeding to discuss these ideas, however, it is necessary to analyse the present state of the South African economy in general and its negative impact on the oppressed majority.

As is well known, the South African economy is characterized, on the one hand, by its recent poor growth record and thus its incapacity to create adequate employment opportunities for the population and, on the other hand, by its profound inequity in distributing the income generated, as well as, more generally, in its wealth distribution. On these two counts, the South African economy is afflicted by major structural and policy distortions.

In spite of some early optimistic forecasts, the South African economy has not yet fully recovered from the prolonged recession of the past years. Indeed, after a zero growth year in 1991 and a three-year recession which started in 1989, there are few signs of sustained recovery, amidst a world economy which is still weak. Recent data on investments, still on a downward trend, show that business confidence has not been restored. Furthermore, difficulties in agriculture owing to the current drought contributed to dampen early optimistic forecasts.

In fact, since the mid-1970s, South Africa's growth has been either small or negative, a situation widely labelled as "stagnation". It is not surprising, therefore, that unemployment and underemployment have reached such dramatic proportions, accounting for 30 to 40 per cent of the active population. The stagnation can be explained by many reasons and factors, and there has been extensive debates about it in South Africa. ... Whatever the differences of opinion and analysis about the stagnation, there is a large consensus that apartheid has profoundly distorted the economy. ...

There have also been many policy mistakes which have further aggravated the bias inherent in the production structures: (a) the import substitution policy, which further distorted the production structures; (b) the major giant conglomerates of the South African economy did not undertake on time the appropriate industrial strategies, preferring to focus instead on financial and commercial operations; and (c) many aspects of macro-economic policy, for example fiscal policy, have been conducted along racial lines, notwithstanding recent positive measures by the authorities.

While sanctions have clearly contributed to the positive changes in South Africa and to the launching of negotiations ... it is also clear that they have constrained the growth of the economy. ...

The economy of South Africa faces also the sensitive problem of redistribution. This is another area of intense debate in South Africa and which is critical to its future. Indeed, it will be extremely difficult to undertake the profound structural changes needed by the economy without addressing the pressing socio-economic needs of the population and the glaring imbalances in the distribution of income, employment and wealth.

Having briefly analysed the state of the South African economy and its destructive consequences for the majority of the country's people, I wish to make three major observations that I consider relevant to the objectives of this Seminar.

First, I believe that it is of crucial importance for the international community to identify with the plight of Black people in South Africa, particularly to assist in changing those socio-economic conditions. ... This Seminar can send a powerful message to the international community in putting in perspective the immense task facing a future Government in the areas of housing, health, education and training, employment and the eradication of mass poverty.

...

Secondly, there is an intense and lively debate in South Africa about the appropriate policy responses to these enormous socio-economic challenges. ... While it is for the South Africans to reconcile their views and policy stances on these important matters, we are much encouraged by the quality of these debates and the democratic spirit in which they are taking place.

The international community is observing with great interest the positions advocated by the discussants, and it is my hope that the seminar will have the opportunity to review in some detail, the broad policy framework that is beginning to take shape in South Africa. In this context, may I take the liberty to make a few comments. The basic objective of all the participants in the debate on South Africa is the social and economic development of all the people of South Africa. While there will certainly be important measures to redress the glaring socio-economic imbalances, the main concern is not to promote conflict between the "haves" and the "have nots"; but rather, as I see it, to initiate a new equitable social and economic framework in which all South Africans will share freedom, seek prosperity and enjoy security.

Furthermore, the situation in South Africa is so unique in its complexity, scale and dimensions that the international community should not only be ready to assist, in whatever way is needed and possible, the process of political transition and democratization, but it should also be attentive to the social and economic realities as perceived by the South Africans themselves. The temptation should be avoided to impose extraneous and inflexible models. I strongly encourage the participants to pay particular attention to the innovative views expressed in respect of, for example, the institutional framework for channelling external assistance, and to encourage a constructive exchange of ideas on this issue.

...

Thirdly, once you have identified the major socio-economic priorities and needs, and reviewed with the help of our South African friends the kinds of policy responses that they think are needed, there should be a follow-up exchange of views on what the United Nations system can contribute to the efforts of a new South Africa in addressing its socio-economic challenges.

...

It is important to note, as indeed has been stressed many times by the General Assembly, that the United Nations Secretary-General is entrusted by the General Assembly with the task of ensuring that the activities of the United Nations system are well coordinated and effective. ... It is equally important to note that an essential contributing factor to the better coordination of external assistance, including United Nations assistance and bilateral assistance, is the capacity of the recipient country to agree on and define a sound development strategy, and to set in place national coordinating mechanisms that are supported and well understood by external donors.

...

Therefore, as we set about our deliberations here, we must bear in mind that our objective is to help clarify how best the international community can assist South Africans domestically, as they rejoin the community of nations. And of course, we must not discount the importance of a peaceful and stable South Africa within the context of the southern African subregion. Therefore, whatever strategies we advance must take into account the geo-political realities within this subregion.

III. SOUTH AFRICA'S SPECIFIC PRIORITIES AFTER APARTHEID WILL HAVE TO BE DETERMINED BY SOUTH AFRICANS

Excerpts from the statement by Mr. Johan Nordenfelt, Representative of the Secretary-General and Director of the United Nations Centre against Apartheid

This Seminar takes place at a time when positive developments in South Africa hold out a hope that the apartheid system will come to an end in the relatively near future. The prospects of an agreed transitional arrangement being put in place in the next couple of months makes holding this Seminar now not only timely but necessary.

As the theme of the Seminar suggests, the United Nations system recognizes that it will have an important role to play. I think, too,

there is a recognition that in South Africa, a democracy movement has been developing from which an institutional framework has emerged for popular participation in the process of economic restructuring. This is a feature that may have important implications both for development policy and for international assistance. The United Nations system recognizes that assistance to South Africa needs to be well thought through, against the background of those and other features that may be specific to South Africa, and that assistance will have to be well prepared and well coordinated.

South Africa's specific priorities after apartheid will have to be determined by South Africans. It seems clear, though, that key areas that have to be addressed with urgency, concern redressing the socio-economic disadvantages that are a legacy of apartheid, restoring peace and stability in a country so long torn by violence, and ensuring a sustained economic growth process in which all South Africans can take part. In other words, a new Government will be called upon to meet the pressing needs of the population as a matter of priority while it strives to identify new sources of growth, and put into place those policies that capture opportunities for the benefit of the whole population.

This Seminar is basically technical in nature. It intends to bring South African experts involved in the study, planning or execution of future socio-economic development together with representatives of various United Nations offices and agencies, and also of some other intergovernmental organizations, with well established competence and experience in technical cooperation and assistance in their respective areas. We hope that a future coordinated and expanded United Nations role in South Africa, as envisaged in General Assembly resolution 46/79 A, will derive some impetus from this seminar. Your collective efforts here will constitute a guide of sorts in determining the parameters of United Nations participation in building a new South Africa. I trust, therefore, that the next three days will be marked by frank and insightful contributions from all.

...

IV. ESTABLISHMENT OF AN INTERIM GOVERNMENT A PREREQUISITE TO DIRECT UNITED NATIONS INTERVENTION IN ADDRESSING SOUTH AFRICA'S SOCIO-ECONOMIC PROBLEMS

Excerpts from the statement of the African National Congress of South Africa (ANC)

Permit me at the very outset to place on record our profound gratitude to the Special Committee against Apartheid as well as the United Nations Centre against Apartheid for organizing this important event. Indeed, it is no exaggeration to say that the subject addressed by this meeting places in full relief the height of injustice inherent in South African society and therefore goes to the very heart of the conflict that has engulfed our country over the years.

The very timing of this Seminar could not have been more appropriate, coming as it does at the precise moment in history when our people are pondering the political options for a just constitutional dispensation which will not only address the glaring socio-economic inequalities resulting from apartheid, but will also lay the foundations for a socio-economic order that will guarantee stability and peace in our country and region.

We are therefore greatly indebted to the organizers for enabling us to participate in a process that will undoubtedly help to forge a meaningful partnership between our people in their various democratic structures and the United Nations, in eradicating these socio-economic ills.

...

In the course of this Seminar, ANC will take the opportunity to enter the debate and intervene on the various aspects of the subject matter of our meeting. In this regard, we shall attempt to analyze fully the nature and performance of the South African economy and how it impacts on the millions of our people as well as show the way forward as seen by us. ...

It is a matter of historical record that the international committee has taken the view that the normalization of its relations with South Africa would be determined by the progress made in the negotiations towards the eradication of apartheid and the creation of a democratic society. This strategy of phased application of sanctions has found expression in the decisions of the last summit meeting of the Commonwealth countries, in General Assembly resolution 46/79, in the communiqué issued by the Ad Hoc Committee of the Organization of the African Unity (OAU), which was held at Arusha, United Republic of Tanzania, on 28 April 1992 as well as in the statement of the ministerial meeting of the Movement of Non-Aligned

Countries which was held at Bali, Indonesia, on 15 and 16 May 1992. It is therefore not by accident that all these intergovernmental organizations, and more, sent delegations to observe the proceedings at the Convention for Democratic South Africa (CODESA), which was held on 15 and 16 May 1992.

It is common knowledge that whilst agreements were reached at CODESA on a number of important issues, there was not agreement on the all-important question of the constitution making mechanism. Agreement on this issue would have made it possible to put in place the first phase of an interim Government in South Africa, which would oversee the transition to a new constitutional order. The emplacement of the interim Government would, by international consensus result, inter alia, in the ability of the United Nations bodies to intervene directly in addressing the socio-economic problems currently under discussion.

...

Our call for an interim Government, therefore, assumes a great sense of urgency and needs maximum support from peace loving people the world over. It is the only way in which the current problems we are facing can be effectively addressed.

It must also be stated that the establishment of a democratic order in South Africa is an important, but not the only, effort required to ensure stability and peace in our country and the region. Indeed the economic transformation and re-ordering of our country has become an urgent necessity in order to address the miserable plight of the millions of our people. Urgent measures are required to respond to the grinding poverty affecting our people - a poverty that has been exacerbated by a devastating drought that is threatening to transform the rural areas in our country into famine zones.

In an effort to provide solutions to these problems, ANC advocates an economic policy that is designed to create a vibrant economy which is aimed at the following:

(a) The elimination of poverty and the extreme inequalities generated by the apartheid system;

(b) The achievement of high employment and maximum participation in economic activity by all;

(c) Improving the quality of life, especially of the poor and disadvantaged;

(d) The development of a prosperous regional economy in Southern Africa based on the principles of equality and mutual benefits.

We remain confident that all these objectives are attainable given the political will and resourcefulness of our people. We do however recognize that the United Nations family possesses a wealth of experience in both expertise and resource, which if utilized in South Africa, could greatly enhance our capacity to realize the developmental goals that we have set for ourselves and our country with greater speed. It is in this spirit that we welcome the convening of this Seminar.

V. ROLE OF THE UNITED NATIONS AGENCIES SHOULD BE THAT OF PROVIDING AFRICAN PEOPLE WITH THE MEANS AND SKILLS TO BE THEIR OWN DEVELOPERS, SOCIALLY AND ECONOMICALLY

Excerpts from the statement by Mr. Sipho Shabalala, Representative of the Pan Africanist Congress of Azania (PAC)

The degree, extent and quality of socio-economic development in any country is the critical measure of the quality of human life, degree of human development and the essence and meaningfulness of democracy. The key to the above achievement is the access to productive economic resources; access to opportunity to acquire skills; and the democratic participation of the people in their socio-economic development effort. Accordingly, the redistribution of resources and economic growth should be an integrated strategic focus for our country.

South Africa has been and is characterized by the concentration of political power (political resource or resource in a political category) to the White minority at all the levels of the State and within individual economic corporations. The concentration of political power is in a symbiotic relationship with the concentration of economic power. The existing concentrated ownership of productive and social consumption resources by a small section of the society is an impediment to the democratization process in the country; provides fertile ground for social and political conflicts between the haves and the have-nots; retards economic growth and efficiency, etc.

The existing extreme economic inequalities were brought about by specific political, legal, regulatory and supportive market forces. Through time these extreme economic inequalities have been reproducing themselves. A progressive economic policy should, therefore, address both the "flows" and "stocks" of economic inequalities in this country. There is a need to emphasize that the present inequalities were not brought about by market forces alone and, therefore, cannot be reversed or eliminated by these forces on their own. The objective for the redistribution of resources should be a deliberate

intervention by the State and individual corporations to correct the ills associated with the above inequalities.

In PAC, we conceptualize the redistribution of resources and economic development as not being mutually exclusive. Inclusive in our quest for the redistribution of wealth and resources are means for immediate social consumption and means for wealth and resource creation. Human consumption (nutrition, housing, safe and clean water, quality sanitation, health, literacy and education etc.) and access to acquisition of skills, land, capital, employment - including self-employment markets, appropriate institutional forms etc. are all inclusive in our concept, meaning and objects for distribution.

The redistribution focus should, in summary, be as follows:

(a) The redistribution of resources for social consumption such as housing, health facilities and services, nutrition; infrastructural development (roads, communications means, transport etc); rural, semi-rural and urban electrification; provision of clean water and quality sanitation for marginalized African communities etc. The emphasis here is alleviation of poverty;

(b) The economically marginalized should be provided with access to productive resources in economic terms (land, finance capital, credit, technology, economic organizations etc).

One of the critical indicators of human development in our country should be represented by an increasing number of the African people participating in economic activities, not as objects of economic growth but as principal creators of wealth, and decision makers in the mobilization and allocation of economic resources for different uses and for different generations.

The above redistribution strategy should not be merely welfarist. It must redress inequalities with respect to social consumption and must promote the economic participation of the African people as creators of wealth rather than mere consumers and employees;

(c) On the political and constitutional transformation front, the negotiation process must be democratic and democratizing. The end result of this process should be the effective transfer of political power (redistribution of political power as a resource) from a minority to the people: the African people. It should be remembered that to PAC, to be an African is not foreclosed or precluded by indigenity. One can and will be an African by self-identification as such, by loyalty to a new African State and readiness to identify himself/herself with the aspirators of all the Africans, and be ready to share with fellow Africans political and economic power. The onus is precisely on an individual;

(d) Within individual economic and non-economic institutions, the empowerment of all the participants (employees, managers, members etc.) directly and/or representatively, in the occupation of position of power, control and influence in the critical decision making structures and processes.

The above redistribution focus will, in summary form, take the following specific forms:

(a) Equity-denominated wealth and resources, and decision-making powers within business organizations in the private sector will be redistributed to workers and African potential and actual managers. In addition, corporate ownership (equity-denominated wealth) will be spread to new outsiders as represented by institutional funds (pensions, social security contributions, life assurance contributions etc.) from the currently disadvantaged African people or the individual members of the African community;

(b) Human resources development and training programmes to ensure African advancement to senior positions and to ensure productivity and the opportunity to earn higher income will be integral parts of the redistribution focus. Private business firms and state enterprises to contribute to their employees (and their dependents) housing, education, health, insurance and recreation needs;

(c) The provision and access to productive economic resources to the currently disadvantaged potential and actual entrepreneurs to help them to possess or develop chips, capacity and to exploit opportunities so as to be creators of wealth and resources using different appropriate ownership and economic organizational forms. Within this focus there will be a need for land redistribution to smaller African producers (usually more efficient) and massive investment in land (soil) reclamation and reversal of land degradation.

It is important to remember that economic systems and their operations are means to satisfy needs for human development. So is technology. Principally human development must focus on the enhancement or enrichment of human capabilities (skills, knowledge and attitudes) and the utilization of such capabilities in productive, leisure and cultural activities.

Essentially human development is self-and group-directed to meet self-and group-development needs. Innovative and creative participation of the people in their development is critical.

Community-based development projects and programmes should represent self-development efforts of community members in rural, semi-rural and urban areas.

Socio-economic development needs should be the driving force behind any industrialization strategy for the future of our country. PAC's justification and legitimizing paradigms for future industrialization strategy can be given as follows:

(a) Economic development and growth that are achieved concurrently with the marginalization of the majority of the African people from economic participation as creators of wealth and decision-makers with respect to the mobilization and allocation of resources must be avoided;

(b) The challenge that faces economic policy formulation in our country is the requirement to balance redistribution (equality consideration) of means of social consumption and production with the necessity for accumulation process of the economy and economic development that does not marginalize any of the members of our society.

The political, social and economic cost of failing to strike the above balance is too high to be sacrificed in pursuit of maximizing, say, short-term returns to investors. Both short-term and long-term consideration need special and specific attention;

(c) It is important to remember that the link between economic growth and human progress is not automatic. Furthermore, we should emphasize that economic growth should be managed and distributed for the benefit of the people;

(d) Any industrialization strategy should be generative of employment opportunities within the available skills profiles of the country. It should enhance human capabilities (skills, knowledge, attitudes) and the provision of opportunities for the creative innovative utilization of these capabilities for productive, cultural activities.

To operationalize the above values the following industrialization goals are considered important:

(a) To bring about a restructured economy in terms of:

(i) The emphasis on the increasing development of secondary and tertiary based on internally competitive high technology and information based production processes;

(ii) The redistribution of means and access to productive economic resources to the majority of the past and currently marginalized people;

(iii) The creation of the conditions that create the effective domestic demand for producer offerings;

(iv) The utiization of optimum (a dynamic optimum) capital-labour technology combination promotive to the most cost-effective production requirements and competitiveness of end products.

(b) To bring about social economic and political stability in the country;

(c) To place the country owner strategically in areas of economic and technology development in Africa and to place the country as an effective competitor in the markets of industrialized countries.

We have maintained in our economic policy documents that freeing people from slavery and not providing them with the means for being their masters, the means, opportunity, etc. to be fully participant in all affairs of their society is meaningless, hypocritical, genocidal and callous.

We thus see or perceive the role of the United Nations agencies as that of providing our African people with the means and skills to be their developers socially and economically. With respect to technical expertise we would like to request the United Nations agencies to make use of our local expertise. This will ensure the relevance and continuity of all the programmes and projects to be embarked upon.

...

VI. SUMMARIES OF WORKSHOP DISCUSSIONS

A. Socio-economic problems

The participants agreed that apartheid structures, policies and practices had created deep-seated and critical socio-economic problems in South Africa, the solutions of which required a new approach at the development policy level. Among the most negative characteristics of apartheid was the fact that the majority of the population had been excluded from the policy-making process and that their socio-economic needs had not been properly addressed so far. It was a matter of urgency to promote the policy changes which would make it possible to address decisively these two issues. In order to do so, the first priority was obviously to solve the political situation, and particularly the problem of violence which created a climate of insecurity harmful to development initiatives and projects. The second priority was to formulate a new development strategy with the full participation of the population and oriented towards meeting its basic needs. In that context, it was estimated that broad priority

areas were education, health, housing and employment. It was also considered that the need for a development programme that would accommodate the so-called marginalized youth was one of the greatest challenge for a future democratic government.

The participants recognized the importance of the numerous grass-roots organizations that have assisted communities, not only to resist the oppressive apartheid policies, but also to promote their social and economic development interests, particularly in education, health, housing, water supply and sanitation. These organizations had participated in a number of development forums that had emerged during the recent past, at which they had discussed development policies and projects and their implementation. The local and national development forums constituted an important aspect of the development process in South Africa, since they were the principal way through which the population could participate in the elaboration of a development strategy which would take into account their needs, concerns and aspirations.

In the area of education, the participants noted the profound imbalances between the education for Black and White pupils both in qualitative and quantitative terms. These imbalances had been abundantly documented in recent studies and reports, and reference was made to the report of the Special Committee against Apartheid on the International Conference on the Educational Needs of the Victims of Apartheid in South Africa, held in Paris from 25 to 27 June 1991 (A/AC.115/L.678) and to the Commonwealth expert group report on human resource development for a post-apartheid South Africa. The participants underlined the following elements.

The educational system for Blacks had been strongly influenced by the legacy of the Bantu education, which had been in fact conceived as an inferior education and which, for example, did not give sufficient importance to essential subjects such as mathematics and science. Furthermore, many teachers of Blacks were not sufficiently trained, thereby compounding the difficulties faced by their pupils. The failure of the educational system for Blacks could be measured by the various data concerning drop-out rates, matriculation results and illiteracy rates. In addition to policy problems, there was clearly a mismanagement of educational resources as evidenced by the unemployment of many Black teachers, while there was supposedly a shortage of teachers. On the other hand, thousands of White teachers were made to retire on pensions rather than teach in desegregated schools.

The participants agreed on the urgent need for a significant policy and administrative reform of the educational system. Such a reform would address, among others, the major source of waste represented by the costs of managing all the different government departments dealing with education. It was certainly preferable to spend the resources on the improvement of educational facilities,

curriculum or research. One of the most important challenges for the present and the future was to create a new and unitary educational system that would be based on a new curriculum promoting democratic values and would provide equal educational opportunities for all.

In respect of health, participants agreed that south Africa was facing a major crisis as shown by the comparison between the respective health situation of the Black and White communities in terms of infant mortality rates, and the impact of preventable and curable diseases such as tuberculosis. That situation was a reflection both of the general health status of the population and of the health care system. The health status was itself directly related to the socio-economic situation of the population and, for example, to the access to appropriate housing, sanitation and the basic supporting infrastructure and transportation, all of which were subject to glaring imbalances among the communities. The health care system and its financing were characterized by profound disparities reflecting themselves in the allocation of doctors, nurses, medical facilities and hospital beds.

In addition, there was a problem of delivery, since the medical services most needed by the population were either not available or too costly. These problems were particularly obvious in examining the patterns of distribution of medical facilities among urban and rural areas. But even in urban areas, it had been noted that while the existing facilities could, in principle, provide the basis for some social redistribution, that was limited by the range of service available or by the capacity to pay for private medical facilities. The latter limitation had substantially increased as a result of the privatization policy of medical facilities by the authorities. It had been noticed that in the newly desegregated hospitals the registration of Blacks was very low. Many participants mentioned among the explaining factors the cost of access, or the hurdles still maintained by a bureaucracy that did not apply wholeheartedly the officially stated new policy.

The fragmentation of the health care system was a particularly serious problem. In addition to the ethnic and racial fragmentation, which had resulted in 14 different ministries for health, there were also other cleavages in respect of health services, regional distribution, and public versus private facilities. The participants noted that the current policy debate on health in South Africa was revolving around the issues of establishing a national health system, a new emphasis on primary health care and the coexistence of a redefined public and private sectors. Important issues also discussed were the consolidation of the various medical aid schemes into a national health service framework, and the need to channel sufficient resources to support the new policies and, for example, the new priority given to primary care, maternal childcare and special health services for workers.

Concerning the housing crisis, the participants agreed that it had reached dramatic proportions, and that the growing population pressures could only aggravate the situation in the absence of a new policy. It had been estimated that, in order to meet the housing requirements of the next 10 years, a minimum of 340,000 housing units had to be built annually over that same period. Of that number, around 80 per cent had to be allocated to Blacks. Since that figure was hardly approached, there would inevitably be an increase of informal settlements, in which 7 million people were already living. Over the years, an explosive situation, culminating in overcrowding, squatting and pressures on the supply of electricity, water and the basic social services, had developed in the Black townships.

The situation in housing was the result both of the lack of resources and of decades of policy neglect for the housing needs of the Blacks who were considered as migrant labourers in South Africa. There had been of late a new policy awareness and, as a result, some positive initiatives such as the creation of the Independent Development Trust. The private sector had also been encouraged to be involved, although constructing housing in violence torn areas was perceived as risky. Yet, all these measures did not measure up to the importance of the housing challenge. On the whole, it was considered that the housing sector suffered from a lack of planning, a lack of resources, but a massive waste due in part to the duplication of activities and institutions and, most importantly, from a lack of a national strategy.

The participants agreed on the importance of the issue of employment in South Africa, and the need to evolve an economic policy that was conducive to job creation. It was emphasized, in particular, that the best way to empower individuals so that they could meet their social needs, for example, education, health and housing, on a self-sustained basis, was to provide them with opportunities for gainful employment and the training to benefit from them. Likewise, and while combating poverty would involve special programs of support and of subsidization, it was felt that the true alleviation of poverty also required an overall economic policy which would generate growth and employment.

The participants were of the view that the problems encountered in industry and agriculture by Blacks pursuing or seeking self-employment had to be addressed. In industry, a whole range of issues were concerned such as measures to facilitate the ownership of the means of productions, training for small business administration and management, access to credit and to technology, assistance from export-import banks, assistance to joint-ventures. There was also the need to ameliorate the conditions of access to, or of maintenance of activities in, agriculture. That would not necessarily warrant large scale farming but rather support for small-scale farming as a means of improving employment and production and, in some cases, as a source of complementary income.

B. Debate on policy responses

The participants noted that the debate on, and the formulation of, the economic development policy were still in progress in South Africa and that the positions of the main discussants were not fully settled. Nevertheless, there were already large areas of agreement, such as on the need for a profound restructuring of the social and economic sectors to remove the structural deficiencies and imbalances induced by apartheid. A number of different perspectives on the modalities of the restructuring were discussed, and many common aspects of the perspectives were agreed upon by the participants.

In one of the perspective, the structural deficiencies generated by apartheid were so serious that South Africa needed to restructure its economic and social sectors with a view to promoting directly and simultaneously growth and redistribution. The objective of growth would require, among other things, a restructuring of industrial production and trade and more generally of the economy so that it was more responsive to the needs of the disadvantaged population. Promoting redistribution would apply also to social services, such as large public works programmes directed at housing and infrastructure (kick-start growth). Furthermore, there was a need to have a better distribution of productive assets in agriculture, mining and industries. Within that framework of pursuing growth through redistribution, there was need to assess carefully the macroeconomic impact of any future policy of recovery. Finally, a new strategy of economic development in South Africa was viable only if it was integrated in the southern African regional context.

Another perspective on economic development was built around the theme of industrialization and the empowerment of those who had been so far excluded from the economic decision-making process and restricted to be consumers or employees. In that approach, it was also necessary to restructure the economy, but a kick-start growth programme was not found appropriate. Recovery and sustained growth would best be served by upgrading technological capabilities in the secondary and tertiary sectors, by empowering those who had been marginalized and by strengthening an effective domestic demand. An important aspect of that policy was to promote African entrepreneurship.

Yet, according to an other perspective, the best way to combat the stagnation of the South African economy was to design a new growth path. For such a purpose, there was a need for a new development policy which, because of the existing fragmentation, had to be an integrated policy. The role of the community-based grass roots organizations and of the various negotiating forums in the elaboration of a new development strategy and its implementation was recognized to be important. Those organizations played an important role at the

local and national levels, as well as in key sectors of the economy. It was noted, for example, that some urban-based organizations had established community action plans that integrated the key interrelated aspects of urban planning and socio-economic development.

The concern of business circles that economic issues were not given sufficient importance in the present circumstances was expressed during the workshop discussions. For example, while a number of important provisions had been agreed at CODESA, there was no mechanism to assess their economic implications.

Participants emphasized the need for strong policy of affirmative action which would, for example, promote the accession of Black executives in decision-making positions in the boards of the major enterprises. Efforts had to be made to ensure that Black entrepreneurs were given the opportunity, and the incentives, to bid for public contracts. They also stressed the need for a comprehensive national programme of redress.

Another problem to address was the fragmentation of the State apparatus, which had sometimes led to the virtual paralysis of the state in important areas of socio-economic development, and to the breakdown of development programmes and projects. For example, in the recent past, some major electrification projects had failed because of the lack of coordination between the government bureaucracies. It was therefore essential to coordinate programmes and activities, and to adopt integrated policies.

The amount of resources allocated to meeting the socio-economic needs was recognized to be an important issue, although many participants stressed that there were equally important issues such as the delivery system of social services, and the discrepancies between the services offered and the needs of the population. It was therefore pointed out that the mere increase of the resources spent with the present system would not necessarily result in better meeting the needs of the disadvantaged Black population. An element to keep in mind was that the existing infrastructure had been conceived and established to service only the needs of the White minority.

C. Capabilities of the United Nations system in technical cooperation

On the basis of the briefing by the United Nations Development Programme (UNDP) Moderator, the participants made a review of the objectives, principles and methods of work of the United Nations system in technical cooperation, which was a broader activity than technical assistance since it included some financial participation by the recipient country. In that context, reference was made to the background documents on technical cooperation for development. The United Nations system as a whole had always endeavoured to respond to

changing requirements, as evidenced by the current process of internal reform which would certainly affect technical cooperation. Since 1989, there has been clear guidelines about the importance of national priorities of the recipient countries for the programmes or projects of technical cooperation, and the need to strengthen the national capacity to implement them, particularly through the utilization of national experts.

There was an extensive exchange of views on various issues of importance to future South Africa - United Nations system technical cooperation. First, it was stated that the World Bank did not see the objectives of growth and redistribution as necessarily conflicting. In fact, and all other things being equal, meeting the objectives of redistribution and of poverty alleviation might be easier on an upward curve rather than the contrary. Secondly, concerning the issue of the coordination of United Nations activities, it was stressed that it was a systematic effort from the United Nations system, including for example the role of the resident coordinator, the practice of lead agency, and general policy guidelines from policy-making bodies of the United Nations. Thirdly, it was emphasized that United Nations agencies had experience in working with non-governmental, grass-roots organizations as opposed to working only with central Governments, although the unique context of South Africa would probably require an important effort of adaptation.

The representative of the Office of the United Nations High Commissioner for Refugees (UNHCR) gave a detailed account of the activities and experience of his organization, which was the only United Nations organization having a permanent presence in South Africa, in repatriating 10,000 exiles and refugees to the country. The other United Nations agencies also made presentations on their activities, programmes and plans in relation to South Africa. Thus, an extensive description was made of the capabilities of the United Nations agencies in education and training, health, housing and the issue of employment. Furthermore, the issue of poverty alleviation was now a major policy focus of the technical assistance of the United Nations, or a long-standing area of intervention for various individual agencies. In the economic field, South Africa was facing critical challenges in its full reintegration into the international financial and trading system. Thus, important issues for which the United Nations could assist were, for example, the role of multinational corporations in global markets, technology transfers, research and development; the role of industrial property system in encouraging technological innovation; investment code; the evolving rules of the multilateral trading system; and the emergence of subregional and regional trading blocks.

Other important areas of possible contribution of the United Nations were agriculture and land reform, public administration and training of public servants, and relief operations. It was also

stated that, in addition to joining a number of covenants on human rights, as a matter of self-interest, South Africa could also benefit from technical assistance in the development of an appropriate judicial and law enforcement system, which might have a positive impact on social and economic development.

D. Institutional framework for technical cooperation

The participants agreed on the need to appreciate that South Africa was in a complex process of transition at all levels. Concerning particularly the institutions dealing with development issues, it had to be recognized that there was a profound dualism in many aspects of South African economy. For example, South Africa was possessing sophisticated institutions, particularly in areas such as finance, but which had not been effective in addressing the general socio-economic concerns of the people since those institutions were designed, and generally perceived, to sustain the apartheid system. On the other hand, there was the emergence of many grass-roots organizations which enjoyed the confidence of the population but which, generally, lacked managerial or administrative skills. An important question was therefore the extent to which the United Nations system could assist in improving the institutional capacity and the administrative skills of these organizations.

The emerging institutional framework for the formulation and the implementation of development programmes could be characterized on, and was important at three levels: (a) for the issue of consultation in development, there had been the emergence of various forums for discussions at the sectoral, regional and national levels. Important examples of forums were the National Development Forum (NDF) and the National Economic Negotiating Forum (NENF); (b) the issue of delivery was particularly important in a situation characterized by fragmentation, duplication of activities and lack of legitimacy of established institutions. A number of recently established associations, cooperatives and trust funds were examples of mechanisms to be supported because of their concept and design and the kind of products or services they offered to the communities; and (c) while recognizing the important responsibility of the State in funding development, there were other sources of finance and institutions that had attempted to facilitate the access to credit of most South Africans.

These alternative structures and organizations would have to focus on: effective participation in the design and implementation of development projects; training and human resources development; enhanced development approach and long-term capacity; integrated approach between sectors; strategies for economic growth; and an assessment of differential impact of development programmes. The participants agreed that coordination and consultation would be

imperative in ensuring that a new institutional framework was effective and functional. It was also agreed that access to development resources ought not be tied to political affiliation.

Many South African participants advised the United Nations agencies to exercise utmost caution in their activities relating to South Africa. The political process in South Africa had not yet stabilized and some time would come before the situation was normalized. In those circumstances, exclusive contact or working relations of a United Nations agency with institutions that had no broad-based legitimacy, or might be subject to intense scrutiny in a new political environment, could be extremely damaging for the long-term relations between that agency and a new South Africa. Naturally, it was important for United Nations agencies to consult as widely as possible when they were undertaking their technical work. Community-based organizations, which had legitimacy, should be consulted and informed on projects of interest to them. Doing otherwise would eventually damage the viability of the project and its effectiveness.

The need for technical assistance had been expressed in the area of technical advice, human resources development, institutional capacity-building, relief operations, programmes and projects affecting structures and policy formulation, for instance in such areas as industrial development, technological innovation, investment codes and subregional economic cooperation and integration.

C. Mobilization of resources

Concerning the issue of the mobilization of resources, the participants agreed that, while it was important, the priority in the short term was to mobilize domestic resources, which were sizeable and not fully utilized. For example, 5 per cent of the GDP was around R 12 billion, that is between $US 4 billion and $5 billion. One of the most useful task was therefore to encourage the funds to be channelled in sectors with financing requirements and, particularly, to help meet the basic needs of the disadvantaged population. One aspect would be to provide access to credit to those in need and who could not get credit from established institutions. In a longer-term perspective, and in the context of meeting the huge socio-economic needs of the population and of a high growth, it was clear that South Africa would need a large amount of external finance.

VII. CONCLUDING REMARKS BY H.E. MR. IBRAHIM GAMBARI (NIGERIA), CHAIRMAN OF THE SPECIAL COMMITTEE AGAINST APARTHEID

After having followed very closely the proceedings of the Seminar, I am very pleased to say from the outset that I have found your discussions extremely interesting, always businesslike, to the

point and geared to the main objective of the Seminar, which is to contribute to the preparations of the future assistance of the United Nations system to South Africa.

Our seminar was indeed, as stated in one of its objectives, a real forum for a dialogue on socio-economic problems in South Africa. Ideas and propositions were discussed, freely, without any constraint, except perhaps the time limitations set by our moderators. Let us therefore rejoice for that achievement and recognize the value of dialogue.

For us in the United Nations Special Committee against Apartheid, this Seminar has demonstrated the Committee's continuing relevance to the changing situation in South Africa. The Special Committee has also shown clearly that it is capable of serving, and will continue to serve, as the focal point of United Nations systems relationship with South Africa before, during and after the establishment of an interim Government in the country prior to the establishment of a democratic non-racial Government in South Africa.

We are therefore gratified that this Seminar achieved one of its major objectives, namely, useful points of reference in the design of the future assistance of the United Nations system to South Africa. I have tried to extract, from what I could sense from the Seminar's proceedings, the most important issues around which there was a large degree of agreement. In addition, I have tried to attract various themes that seem important in their own right, in the context of the debate on development policy. While the following enumeration does try to encapsulate major issues discussed, it does not claim to be an exhaustive list. With these qualifications therefore, it seems to me that in your discussions the following points of reference emerged:

1. It is extremely important, from a political viewpoint, to address urgently and adequately the socio-economic needs of the disadvantaged population, and with resources commensurate with the seriousness of the situation. A particular group that will constitute an important challenge for a new Government is constituted by the "marginalized youth", which has to be given reasons for hope in a new South Africa.

2. Education, health, housing and job creation are among the top priority areas for action in the social and economic sectors. These are areas where the human and social impact of apartheid has been particularly devastating, and that may in some cases require determined action and programmes over a larger number of years to show significant results. While the issue of resources is important, it is not the only one. There is also the costly fragmentation of the state apparatus, inappropriate delivery system, mismatch of the goods or services to the needs of the population.

3. The economic and social sectors of South Africa require a profound restructuring and policy redirection, if sustained growth and genuine development are to come about and benefit the whole population.

4. Actions to promote the interest of disadvantaged communities and channel their grievances have emerged over the recent years and promoted participatory development under the initiative of grassroot organizations. These organizations play an important role in sectors like education, health, housing and are also active in local, regional or national negotiating fora. They are vehicles of popular expression and need to be consulted in matters that are intended to be of benefit to them.

5. More generally, there is the need for a comprehensive national programme of redress, with strong elements of affirmative action, to tackle the glaring socio-economic imbalances created by apartheid. There is, particularly, a need to promote the empowerment of Blacks through human resource development, in encouraging entrepreneurship and skills in management and administration.

6. To meet socio-economic priorities and to promote sustained development there is a need to design and implement a new development strategy that would promote simultaneously growth and redistribution. In particular, the industrial sector needs to be reoriented and strengthened along new patterns of specializations. All the effort of restructuring and policy formulation has to be done in consultation with the civic organizations that have a close interest in the policies being defined. Conversely, the ongoing restructuring by the present authorities, including privatization, is unilateral and entrenches privileges on the basis of the capacity to pay.

7. A new development strategy has to be an integrated one and should address the three levels of competition and challenges for the economy: national, subregional and regional, and global. A better integration in the international trading and financial system has economic, financial and technological implications to be worked out carefully.

8. The future technical cooperation between South Africa and the United Nations system would be more demanding than in other cases on the issue of coordination of United Nations activities, and the need to deal also with grassroot organizations, rather than only with a centralized Government.

9. Similarly, questions of coordination are also raised for South Africans. There are areas where the need for assistance has been expressed, namely technical advice, human resources development, institutional capacity-building, relief operations, programmes and projects affecting structures, and policy formulation, for instance in

such areas as industrial development, technological innovation, investment codes and subregional economic cooperation and integration.

10. The issue of the mobilization of resources is an important one, although it is recognized that the first step in South Africa is to mobilize existing domestic resources that are not fully utilized. In meeting the huge priority needs of its population and in the context of a strong economic growth, South Africa would certainly require significant external finance.

11. The participants have recognized the value of the seminar and are of the view that the dialogue should continue in a follow-up meeting on specific issues arising out of our discussions at this Seminar. It was agreed that a follow-up meeting would require concerted preparations also in South Africa.

Since this meeting was intended to be an initial discussion, it was designed to play more the role of a catalyst to the preparations for the planning of future technical assistance of the United Nations, rather than that of a planning meeting proper. It is, therefore, all the more satisfactory that so many interesting and useful elements could emerge from the discussions.

I believe that after this Seminar, the United Nations' side will be better prepared to address the political and operational questions of its future involvement in South Africa. In this context, the United Nations agencies have received a lot of information, analysis and cautionary notes. In turn, I feel that our South African friends have begun to know the United Nations system better, or at least, have sufficient material to reflect upon the identities and activities of their future partners. All in all, I believe that this Seminar will have better prepared all of us to the future challenges of a new South Africa.

The present situation in South Africa might be rapidly changing and may raise abrupt and difficult challenges. We must all be ready to show flexibility in front of the demands of the day. I have, for example, listened with great interest to the remarks of some of you about the problems of working with a transitional Government. I do appreciate the difficulties of working in a situation where all the parameters are not clearcut and clean, particularly with changing institutions. One of the key challenges of a new Government will be its credibility and the credibility of the whole process of peaceful changes. In these circumstances, we will have to assist such a new Government, since we do not dare think of an alternative where the country will be consumed by violence. The proceedings of the Seminar are particularly useful to understand these problems of credibility.